

## Message Text

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ORIGIN EB-11

INFO OCT-01 EUR-25 ISO-00 AID-20 CIAE-00 COME-00 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 /102 R

DRAFTED BY EB/IFD/OIA: CNELLIS

APPROVED BY EB/IFD/OIA: MKENNEDY

EUR/CE: LUCIAN HEICHLER

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R 132141Z FEB 74

FM SECSTATE WASHDC

TO AMEMBASSY BONN

UNCLAS STATE 029675

E.O. 11652: N/A

TAGS: EFIN

SUBJ: FRG PROCEDURES FOR REGISTERING FOREIGN INVESTMENT

1. AT RECENT MEETING OF CIEP WORKING GROUP ON INWARD INVESTMENT, QUESTION WAS RAISED OF POSSIBLE DESIRABILITY OF REQUIRING REGISTRATION OF FOREIGN INVESTMENT IN THE UNITED STATES. ONE EXAMPLE OF A CURRENT REGISTRATION PROCEDURE WHICH WAS MENTIONED WAS THAT OF THE FRG AS SET FORTH IN SECTIONS 57 AND 58 OF THE DECREE OF FOREIGN ECONOMIC RELATIONS OF DECEMBER 30, 1966, AS AMENDED (BUNDESGESETZBLATT, I, P. 138L).

2. DEPARTMENT WOULD APPRECIATE IT IF EMBASSY COULD PROVIDE REPORT ON HOW FRG PROCEDURE WORKS IN PRACTICE, INCLUDING FOLLOWING SPECIFICS:

A) WHAT IS DEFINITION OF A NONRESIDENT FOR PURPOSES OF DECREE?

1) WHEN IS REGISTRATION MADE--BEFORE OR AFTER FACT OF INVESTMENT?

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C) IS IT NECESSARY TO REGISTER AMOUNT AS WELL AS FACT

OF INVESTMENT?

D) DOES DECREE REQUIRE REGISTRATION OF ONLY NOMINAL  
OWNER OF AN INVESTMENT, OR IS THERE ANY ATTEMPT TO

"PIERCE THE CORPORATE VEIL" AND DETERMINE BENEFICIAL  
OWNERSHIP AS WELL?

E) WHAT ARE PENALTIES FOR NON-COMPLIANCE?

F) WHAT POLICY USE IS MADE OF INFORMATION COLLECTED  
AND HAS FRG FOUND PRESENT REQUIREMENT GENERALLY  
SATISFACTORY FOR THIS PURPOSE?

3. DEPARTMENT HAS ENGLISH TRANSLATION OF SECTIONS 57 AND  
58 BUT WOULD APPRECIATE RECEIVING COPY OF REPORTING  
FORM "CAPITAL INVESTMENTS OF NONRESIDENTS IN THE ECONOMIC  
AREA (ATTACHMENT K2)."  
KISSINGER

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LAW, FOREIGN INVESTMENTS, FOREIGN INVESTMENT CONTROLS  
**Control Number:** n/a  
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**Draft Date:** 13 FEB 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
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**Disposition Comment:**  
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**TAGS:** EFIN, GE, US  
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